

STATE OF TENNESSEE
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST AND INVESTMENT TRUST FUNDS
AS OF JUNE 30, 1998 AND 1997

(Expressed in Thousands)

	STATE EMPLOYEES, TEACHERS,HIGHER EDUCATION EMPLOYEES PENSION PLAN (SETHEEPP)	POLITICAL SUBDIVISIONS PENSION PLAN (PSPP)	TOTAL PENSION	LOCAL GOVERNMENT INVESTMENT	TOTALS	
					JUNE 30, 1998	JUNE 30, 1997
ADDITIONS:						
CONTRIBUTIONS:						
MEMBER CONTRIBUTIONS	\$ 116,196	\$ 39,086	\$ 155,282		\$ 155,282	\$ 143,656
EMPLOYER CONTRIBUTIONS	166,756		166,756		166,756	278,417
POLITICAL SUBDIVISION CONTRIBUTIONS		65,276	65,276		65,276	59,167
TOTAL CONTRIBUTIONS	282,952	104,362	387,314		387,314	481,240
INVESTMENT INCOME:						
NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	1,655,047	239,084	1,894,131		1,894,131	1,711,422
INTEREST	655,178	94,645	749,823	\$ 75,423	825,246	751,396
DIVIDENDS	108,995	15,745	124,740		124,740	125,811
SECURITIES LENDING	2,080	300	2,380		2,380	87,607
TOTAL INVESTMENT INCOME	2,421,300	349,774	2,771,074	75,423	2,846,497	2,676,236
LESS: INVESTMENT EXPENSES	9,331	1,350	10,681		10,681	8,720
SECURITIES LENDING EXPENSES	1,857	268	2,125		2,125	81,904
ADMINISTRATIVE FEE				811	811	785
NET INVESTMENT INCOME	2,410,112	348,156	2,758,268	74,612	2,832,880	2,584,827
TOTAL ADDITIONS	2,693,064	452,518	3,145,582	74,612	3,220,194	3,066,067
DEDUCTIONS:						
ANNUITY BENEFITS:						
RETIREMENT BENEFITS	415,305	59,243	474,548		474,548	433,852
COST OF LIVING	88,435	12,615	101,050		101,050	84,291
DEATH BENEFITS	2,557	746	3,303		3,303	3,196
REFUNDS	14,311	10,338	24,649		24,649	23,833
ADMINISTRATIVE EXPENSES	2,192	1,694	3,886		3,886	3,857
TOTAL DEDUCTIONS	522,800	84,636	607,436		607,436	549,029
NET INCREASE	2,170,264	367,882	2,538,146	74,612	2,612,758	2,517,038
CAPITAL SHARES TRANSACTIONS:						
SHARES SOLD				1,934,566	1,934,566	1,841,566
LESS SHARED REDEEMED				1,739,881	1,739,881	1,857,603
INCREASE (DECREASE) FROM CAPITAL SHARE TRANSACTIONS				194,685	194,685	(16,037)
TOTAL INCREASE IN NET ASSETS	2,170,264	367,882	2,538,146	269,297	2,807,443	2,501,001
NET ASSETS HELD IN TRUST:						
JULY 1	16,215,343	2,303,998	18,519,341	1,181,502	19,700,843	17,199,842
JUNE 30	\$ 18,385,607	\$ 2,671,880	\$ 21,057,487	\$ 1,450,799	\$ 22,508,286	\$ 19,700,843

See accompanying Notes to the Financial Statements